

**Pennsylvania Department of Education  
Bureau of Budget and Fiscal Management  
Division of Food and Nutrition**

Sponsor Name \_\_\_\_\_

Agreement Number \_\_\_\_\_  
(to be assigned by the Pennsylvania Department of Education)

National School Lunch Program  
School Breakfast Program  
Special Milk Program  
Afterschool Snack Program  
Child and Adult Care Food Program  
Summer Food Service Program

**Child Nutrition Programs  
Policy Statement and Permanent Agreement**

*INSTRUCTIONS:* Complete this Policy Statement and Permanent Agreement and provide original signatures (in BLUE ink) from the Chief Administrator, Executive Director, or owner who shall sign the Agreement and take responsibility for the Programs as indicated below. Submit the original Agreement to:

PA Department of Education  
Bureau of Budget and Fiscal Management  
Division of Food and Nutrition  
333 Market Street, 4th Floor  
Harrisburg, PA 17126-0333

This Policy Statement and Permanent Agreement, hereinafter referred to as Agreement, are permanent documents that are supplemented by the Sponsor Application and Site Information in the Child Nutrition Program Electronic Application and Reimbursement System (CN PEARS), hereinafter referred to as PEARS. The Sponsor Application and Site Information must be renewed annually by the sponsor, and updated as frequently as necessary to ensure information contained in the Sponsor Application and Site Information is accurate and up to date. The Sponsor Application and Site Information must be approved by the Pennsylvania Department of Education, hereinafter referred to as PDE.

NO MONIES OR OTHER BENEFITS MAY BE PAID OUT UNDER THESE PROGRAMS UNLESS THIS POLICY STATEMENT AND PERMANENT AGREEMENT IS COMPLETED, APPROVED, AND FILED AS REQUIRED BY EXISTING REGULATIONS (Title 7 CFR Parts 210, 215, 220, 225, 226, AND 250).

PDE, and the Sponsor as listed above, hereinafter referred to as Sponsor, do hereby make and enter into this Agreement, as required by the National School Lunch Act, the Child Nutrition Act, as amended, and the following Program regulations: the National School Lunch Program (NSLP), 7 Code of Federal Regulations (CFR) Part 210; the School Breakfast Program (SBP), 7 CFR Part 220; the Summer Food Service Program (SFSP), 7 CFR Part 225; the Child and Adult Care Food Program (CACFP) 7 CFR Part 226; and the Special Milk Program (SMP) 7 CFR Part 215.

## **I. DEFINITIONS**

For purposes of this Agreement:

“Sponsor” shall mean (1) a school food authority (SFA), which means the governing body which is responsible for the administration of one or more schools and has the legal authority to operate the Programs therein or be otherwise approved by the United States Department of Agriculture’s (USDA) Food and Nutrition Service (FNS); (2) an institution, which means a sponsoring organization, child care center, at-risk after school care center, outside school hours care center, emergency shelter, or adult day care center which enters into an agreement with PDE to assume final administrative and financial responsibility for CACFP operations; or (3) a sponsor of the SFSP, which means a public or private nonprofit SFA, a public or private nonprofit residential summer camp, a unit of local, municipal, county, or State government, or a private nonprofit organization which develops a special summer or other vacation program providing food service similar to that made available to children during the school year under the NSLP and SBP and which is approved to participate in the Program.

School Nutrition Programs (SNP) shall mean all services provided under the authority of the NSLP, SBP, SMP, and Afterschool Snack Program.

All other terms in this Agreement have the same meaning as they are defined in the statutes and regulations.

## **II. PROGRAM DESIGNATION**

The above-named Sponsor applies for, and agrees to operate the NSLP, SBP, SMP, Afterschool Snack, CACFP, and/or SFSP according to the PEARS Sponsor Application(s) and Site Application(s). PEARS, including authorized users, must be kept up to date with applicable Programs and sites and approved by PDE.

## **III. CONTRACT PROGRAM ADMINISTRATION AND FINANCIAL MANAGEMENT**

- A. Sponsor will comply with all laws and regulations applicable to its designated Program(s), as well as 7 CFR Parts 245 and 250, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) and FNS instructions, policy memoranda, guidance, and other written directives interpreting the statutes and regulations applicable to the Programs and State rules, regulations, policies, and procedures as issued by PDE.
1. As applicable by Program, enter into an agreement to receive donated foods as required by Determining Eligibility for Free and Reduced Price Meals and Free Milk in Schools (7CFR Part 250);
  2. Certify that each of the SNP sites listed in PEARS identifies the names of all sites operating under the authority of the Sponsor referred to in this Agreement conducting SNP is nonprofit and exempt from federal income tax under the Internal Revenue Code, as amended; comply with the applicable Civil Rights Policy; and is an approved educational entity;
  3. Ensure that no site is participating in more than one of these Programs simultaneously: SFSP, SMP, or CACFP. Additionally, the Sponsor must ensure that the site is not simultaneously participating in a Child Nutrition Program

offered by another sponsor in the Child Nutrition Programs;

4. Advertise the Program in accordance with Program regulations, rules, and guidance; and
5. Meet the training requirement for Sponsor's administrative and site personnel.

B. Sponsor accepts final administrative and financial responsibility for management of a proper, efficient, and effective food service operation in each school, summer feeding site, and/or child and/or adult care facility operated or sponsored by Sponsor. This responsibility includes any audit exceptions or payment deficiency in the Program covered by this Agreement, and all subcontracts hereunder, which are found after monitoring or auditing by USDA, PDE, or auditors. Sponsor will be responsible for the collections and payback of any amount paid in excess of the proper claim amount.

1. Maintain a nonprofit food service and observe the requirements listed under 7 CFR 210.9(b)(1) and the limitations on the use of nonprofit food service revenues and the limitations on any competitive school food service;
2. Use Program income only for Program purposes. Such income shall not be used to purchase land, to acquire or construct buildings, or to make alterations of existing buildings. Certain renovations may be allowable if PDE has granted prior written approval;
3. For SNP and CACFP, limit net cash resources to an amount that does not exceed three months' average expenditures for nonprofit food services or such other amount as may be approved in accordance with PDE;
4. Maintain a financial management system as prescribed by State and Federal laws and regulations and comply with the requirements of USDA's regulations regarding financial management;
5. Submit claim reimbursements for all meals/snacks in the appropriate eligibility category and served in accordance with the agreement to eligible children. The authorized signer of the monthly claim for reimbursement, who must be a sponsor employee, shall be responsible for reviewing and analyzing meal, milk, and snack counts to ensure accuracy of said claims, as specified in 7 CFR 210.8, 7 CFR 220.11, 7 CFR 215.10, and 7 CFR 210.9;
6. Claim for reimbursement at the assigned rates only for meals and meal supplements served in accordance with the agreement;
7. Submit claims and/or revised claims for reimbursement in accordance with procedures established by PDE and Program regulations. Original or revised claims not received within the required timeframe require special permission and processing for reimbursement and must comply with USDA regulations governing late and/or revised claims. Original or revised claims received late that meet USDA regulations are not guaranteed to be reimbursed and will only be paid if funds are available and the request for payment by the Sponsor has been approved;
8. Upon request, make all facilities, accounts, and records pertaining to its Child Nutrition Program(s) available to PDE, USDA, and/or other appropriate officials

determined by PDE or USDA for inspection, audit, or review at a reasonable time and place. Such records, including eligibility determination documents submitted by families, approved and denied individual applications for free and reduced price meals and meal supplements, direct certification documentation, individual applications for free milk submitted by families, financial and supporting documents, statistical records, and other records pertinent to the services for which a claim was submitted shall be retained for a period of three (3) years plus the current year, except that if audit findings have not been resolved, the records shall be retained beyond three (3) years plus the current year or as long as required for resolution of the audit findings raised by the audit. The case is considered resolved when there is a final order issued in litigation, or a written agreement is entered into between PDE and the Sponsor. Sponsor will keep records of nonexpendable property acquired under the contract for three (3) years after final disposition of the property, or for NSLP and SBP, Sponsors participating in the Community Eligibility Provision (CEP) must maintain documentation for the entirety of the four (4)-year cycle plus an additional three (3) years;

9. Accept and use, in as large quantities as may be efficiently utilized in its nonprofit food service, such foods as may be offered as a donation by USDA. CACFP sponsors have the choice to accept commodities or cash in lieu of commodities;
10. Establish a method to secure the confidentiality of records and other information relating to clients in accordance with the applicable Federal law, rules, and regulations, as well as the applicable State law and regulations. The provision shall not be construed as limiting PDE's right of access to recipient case records or other information relating to clients served under this contract;
11. For CACFP and SFSP, submit to PDE in a timely manner an amendment to its application or budget management plan when any change from information that was originally submitted in Sponsor's application occurs;
12. For SFSP, claim reimbursement only for the type or types of meals specified in the PEARS Sponsor and Site Applications and served without charge to children at approved sites during the approved meal service period, except that camps shall claim reimbursement only for the type or types of meals specified in the PEARS Sponsor and Site Applications and served without charge to children who meet the Program's income standards;
13. Claim no more than the maximum number of meals by meal type per child in accordance with Program regulations, rules, and guidance; and
14. For SNP, verification must be completed on Household Meal Benefit Applications for free or reduced price meals as specified by Program regulations and guidance.

C. Sponsor further agrees to perform as described in application documents, policy statements, supporting documents, and approved amendments to the application or this Agreement for participation in designated Programs.

1. Serve meals and meal supplements that meet the requirements prescribed in

the USDA regulations;

2. For Sponsors with a pricing statement, price the meals or meal supplements as a unit. Where applicable, reduced and paid meal prices must be in accordance with Program regulations, rules, and guidance;
3. For SNP and CACFP, serve meals and meal supplements, if applicable, free or at a reduced price to all children who are determined by the Sponsor to be eligible for such meals;
4. Make no discrimination against any child because of his or her eligibility for free or reduced price meals in accordance with the approved Free and Reduced Price Policy Statement;
5. Maintain necessary facilities for storing, preparing, and serving food;
6. Maintain, in the storage, preparation, and service of food, proper sanitation and health standards in conformance with all applicable State and local laws and regulations;
7. Comply with the food safety requirements of 7 CFR 210.9(b)(14) for SNP, 7 CFR 226.6(d) for CACFP, and 7 CFR 225.6(e)(9) for SFSP;
8. Maintain files of currently approved and denied free and reduced price meal applications. If applications are maintained at the sponsor level, they shall be readily retrievable by the site;
9. In SNP, maintain the names of children approved for free meals based on documentation for certifying that the child is included in a household approved to receive benefits under the Supplemental Nutrition Assistance Program (SNAP), the Temporary Assistance to Needy Families (TANF) program, or the income-eligible Medicaid (MA) program, and under 7 CFR 210.9(b)(19)(ii – vi), Sponsors must maintain documentation for certification for children designated as homeless, runaway, migrant, head start, and foster;
10. In the CACFP, maintain current enrollment forms for all children enrolled and claimed as free, reduced, or paid in the center/home;
11. When available for the schools under its jurisdiction, and upon request of a sponsoring organization of day care homes of the CACFP, provide information on the boundaries of the attendance areas for the elementary schools identified as having fifty (50) percent or more of enrolled children certified eligible for free or reduced price meals;
12. For CACFP, provide or accept responsibility for the provision of organized, nonresidential day care and immediately report to the appropriate State Agency any suspected violations of licensing standards or suspected abuse of children or adults in centers (sponsored or independent) or day care homes;
13. For CACFP, for-profit Sponsors must report the number of Child Care Information Services (CCIS) recipients on the monthly claim for reimbursement. Sponsors must maintain current CCIS lists and have it available for reviews; and

14. Submit for PDE approval applications and agreements, via PEARS, for any site or center/day care home for which Sponsor intends to sponsor that operates during allowable periods and times in accordance with Program regulations, rules, and guidance. Sponsor understands no meals may be claimed for sites until they are approved by PDE or prints the effective date assigned by PDE.
- D. Sponsor agrees that for each participating site under its jurisdiction, it will conduct the Programs in accordance with State and Federal regulations, and specifically, will conform to the following requirements in the conduct of each Program (unless the requirement is restricted to a particular Program):
1. Establish procedures that are necessary to control the sale of food in competition with the nonprofit food service Programs in accordance with Program regulations and instructions;
  2. Count the number of reimbursable meals/snacks served and by eligibility category to eligible children at the Point of Service or through another counting system if pre-approved by PDE except Afterschool Snack Program counts do not need to be taken at the Point of Service under 7 CFR 210.9(c)(8);
  3. Agree to serve breakfast during a period designated and determined reasonable as the breakfast period and to serve lunch during the period designated as the lunch period. For SNP, the lunch period must be between 10:00 AM and 2:00 PM unless otherwise approved by PDE;
  4. Offer or serve meals and meal supplements which meet the requirements and provisions set forth in Program regulations during times designated as meal service periods by the Sponsor in PEARS, and offer or serve the same meals to all children;
  5. For SNP, no later than December 31 of each year, provide PDE with the total number of children approved for free lunches and meal supplements, the total number of children approved for reduced price lunches and meal supplements, and the total number of children enrolled in the school food authority as of the last day of operation in October; and
  6. Conduct monitoring visits of sites as required by Program regulations, rules, and guidance to ensure sites are in compliance with Program requirements. Maintain documentation of site visits and reviews in accordance with §225.15(d)(2) and (3) and ensure children consume meals on-site at approved sites unless Program regulations, rules, or guidance allows certain foods to be taken off-site for consumption. The Afterschool Snack Program must be reviewed two times a year; the first review shall be made during the first four weeks that the school is in operation each school year, except that an afterschool care program operating year-round shall be reviewed during the first four weeks of its initial year of operation, once more during its first year of operation, and twice each school year thereafter as specified in 7 CFR 210.9(c)(7).

#### **IV. POLICY STATEMENTS**

- A. For NSLP, SBP, SMP, or commodity-only, as listed in 7 CFR 245.10(a)(1-5), this

document acts as the Policy Statement and contains the following:

1. The official or officials designated by the Sponsor to make eligibility determinations on its behalf for free and reduced price meals or for free milk;
  2. An assurance that, for children who are not categorically eligible for free and reduced price benefits, the local educational agency (LEA) will determine eligibility for free and reduced price meals or free milk in accordance with the current Income Eligibility Guidelines;
  3. The specific procedures the LEA will use in accepting applications from families for free and reduced price meals or for free milk. Additionally, the LEA must include the specific procedures it will use for obtaining documentation for determining children's eligibility through direct certification, in lieu of an application. LEAs shall also provide households that are directly certified with a notice of eligibility, as specified in 7 CFR 245.6(c)(2), and shall include in their Policy Statement a copy of such notice;
  4. A description of the method or methods to be used to collect payments from those children paying the full price of the meal or milk, or a reduced price of a meal, which will prevent the overt identification of the children receiving a free meal or free milk or a reduced price meal; and
  5. An assurance that the school will abide by the hearing procedure set forth in 7 CFR 245.7 and the nondiscrimination practices set forth in 7 CFR 245.8.
- B. For SFSP, Sponsor agrees to accept responsibility for providing Program benefits to eligible children in the Program.
1. The Sponsor assures PDE that:
    - a. All children are served the same meal;
    - b. There is no discrimination in the course of the food service; and
    - c. The meals served are free at all sites.
  2. All SFSP camps that charge separately for meals also ensure the following:
    - a. The income eligibility standards conform to the family size and income standards for reduced price school meals;
    - b. The method or methods used in accepting applications from families for Program meals ensure that households are permitted to apply on behalf of children who are members of households receiving SNAP (formerly food stamps), FDPIR, or TANF benefits using the categorical eligibility procedures described in 7 CFR 225.15(f);
    - c. The method used by camps for collecting payments from children who pay the full price of the meal prevents the overt identification of children receiving a free meal;
    - d. The camp will establish a hearing procedure for families wishing to appeal a denial of an application for free meals. Such hearing

procedures shall meet the requirements set forth in paragraph 7 CFR 225.15(c)(5);

- e. If a family requests a hearing, the child shall continue to receive free meals until a decision is rendered; and
- f. There will be no overt identification of free meal recipients and no discrimination against any child on the basis of race, color, national origin, sex, age, or disability.

## **V. PDE CLAIMS PAYMENT**

- A. PDE will, subject to Federal appropriation and availability to PDE of sufficient funds for the applicable Program, make Program payment to Sponsor in accordance with the terms of this Agreement. During any fiscal year, the reimbursement paid shall be established in conformance with applicable Federal regulations. No reimbursement shall be made for performance under this Agreement occurring prior to (a) the beginning effective date of this Agreement or (b) a later date established by PDE as documented in PEARS.
- B. The Sponsor acknowledges that failure to submit accurate claims will result in the recovery of an over claim and may result in the withholding of payments, suspension, or termination of the Program, as specified in 7 CFR 210.24.
- C. The Sponsor shall establish internal controls which ensure the accuracy of meal counts prior to the submission of the monthly Claim for Reimbursement. At a minimum, these internal controls shall include:
  - 1. An on-site review of the meal counting and claiming system employed by each site within the jurisdiction of the Sponsor;
  - 2. Comparisons of daily free, reduced price, and paid meal counts against data which will assist in the identification of meal counts in excess of the number of free, reduced price, and paid meals served each day to children eligible for such meals; and
  - 3. A system for following up on those meal counts which suggest the likelihood of meal counting problems.
- D. If failure to submit accurate claims reflects embezzlement, willful misapplication of funds, theft, or fraudulent activity of any funds, assets, or property provided under Child Nutrition Programs or retains for its own use or gain, whether received directly or indirectly from PDE, the penalties specified in 7 CFR 210.25 and 245.12(a) shall apply. These may include, but not necessarily be limited to, suspension or termination of the Program, as specified in 7 CFR 210.24.

## **VI. AUDITS**

Sponsor understands that acceptance of funds under this Agreement acts as acceptance of the authority of PDE, USDA, or any other State or Federal authorities to conduct an investigation in connection with those funds. Sponsor further agrees to cooperate fully with any State or Federal authorities in the conduct of the audit or investigation, including providing all records requested.



Sponsor will ensure that this clause concerning the authority to audit funds received indirectly by sub-Sponsors through Sponsor and the requirement to cooperate is included in any subcontract it awards.

PDE provides Federal financial assistance to a variety of entities which must comply with all State and Federal audit requirements including: the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200, any other applicable law or regulation, and any amendment to such other applicable law or regulation which may be enacted or promulgated by the Federal government.

All Sponsors of a local government or for or nonprofit organization that expends total Federal awards of \$750,000 or more during its fiscal year, received either directly from the Federal government or indirectly from a recipient of Federal funds, shall have an audit made in accordance with the provisions of 2 CFR Part 200, and in accordance with the laws and regulations governing the Programs in which it participates.

If the local government or nonprofit organization expends less than \$750,000 of Federal financial assistance during its fiscal year, the Sponsor is exempt from these audit requirements. The Sponsor is required to maintain records of Federal financial assistance and to provide access to such records, which subject to an audit at any time, by Federal and State Agencies or their designees.

At a minimum, for-profit CACFP Sponsors earning over \$750,000 will receive an audit by an entity designated by PDE.

All Sponsors of the Child Nutrition Programs are subject to an audit at any time, including entities who are indirect recipients of Federal funds, such as food service management companies.

## **VII. PRO-CHILDREN ACT OF 1994**

As required by the Pro-Children Act of 1994, 20 U.S.C. Section 6081 et seq., the Sponsor assures that:

1. The Sponsor prohibits smoking within any indoor facility owned, leased, or contracted for and utilized by the Sponsor for the routine or regular kindergarten, elementary, secondary education, or library services to children; and
2. The Sponsor prohibits smoking within any indoor facility (or portion thereof) owned, leased, or contracted for by the Sponsor for the provision by the Sponsor of regular or routine health care, day care, or early childhood development (Head Start) services to children, or for the use by the employees of the Sponsor who provide such services, except that this subsection shall not apply to:
  - a. any portion of such facility that is used for inpatient hospital treatment of individuals dependent on, or addicted to, drugs or alcohol; and
  - b. any private residence.

## VIII. ASSURANCES CLAUSE

### ASSURANCE OF CIVIL RIGHTS COMPLIANCE

The Sponsor hereby agrees that it will comply with:

- i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.);
- ii. Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.);
- iii. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794);
- iv. Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.);
- v. Title II and Title III of the Americans with Disabilities Act (ADA) of 1990 as amended by the ADA Amendment Act of 2008 (42 U.S.C. 12131-12189);
- vi. Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency." (August 11, 2000);
- vii. All provisions required by the implementing regulations of the Department of Agriculture (USDA) (7 CFR Part 15 et seq.);
- viii. Department of Justice Enforcement Guidelines (28 CFR Parts 35, 42, and 50.3);
- ix. Food and Nutrition Service (FNS) directives and guidelines to the effect that, no person shall, on the grounds of race, color, national origin, sex, age, or disability, be excluded from participation in, be denied the benefits of, or otherwise be subject to discrimination under any Program or activity for which the Program applicant receives Federal financial assistance from USDA; and hereby gives assurance that it will immediately take measures necessary to effectuate this Agreement;
- x. The USDA nondiscrimination statement that in accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs).

This assurance is given in consideration of and for the purpose of obtaining any and all Federal financial assistance, grants, and loans of Federal funds, reimbursable expenditures, grant, or donation of Federal property and interest in property, the detail of Federal personnel, the sale and lease of, and the permission to use Federal property or interest in such property or the furnishing of services without consideration or at a nominal consideration, or at a consideration that is reduced for the purpose of assisting the recipient, or in recognition of the public interest to be served by such sale, lease, or furnishing of services to the recipient, or any improvements made with Federal financial assistance extended to the Program applicant by USDA. This includes any Federal agreement, arrangement, or other contract that has as one of its purposes the provision of cash assistance for the purchase of food, and cash assistance for purchase or rental of food service equipment or any other financial assistance extended in reliance on the representations and agreements made in this assurance.

By accepting this assurance, the Sponsor agrees to compile data, maintain records, and submit records and reports as required, to permit effective enforcement of nondiscrimination laws and permit authorized USDA personnel during hours of program operation to review and copy such records, books, and accounts, access such facilities and interview such personnel as needed to ascertain compliance with the nondiscrimination laws. If there are any violations of this

assurance, the Department of Agriculture, FNS, shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the Sponsor, its successors, transferees, and assignees as long as it receives assistance or retains possession of any assistance from USDA. The person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Sponsor.

#### *USDA NONDISCRIMINATION STATEMENT*

Sponsors are responsible for reflecting the USDA Nondiscrimination Statement on vital Program documents and materials. Vital Program documents and materials are used or seen by FNS Program applicants and participants and may include, but are not limited to: applications, eligibility/ineligibility notices, adverse action notices, the Program home web page, etc.

### **IX. CERTIFICATIONS**

Sponsor shall execute and comply with the following Certifications:

- A. Certification Regarding Debarment and Suspension: Sponsor certifies that it is not currently under suspension or debarment by the Commonwealth, any other State, or the Federal government, nor will it make awards to any party that is under debarment or suspension.
- B. Certification Regarding Lobbying: The undersigned certifies that no Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing a Member of Congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of a Federal grant, the making of a Federal loan or modification of a Federal contract, grant, loan, or cooperative agreement. The language of this certification will be included in award documents for any covered subaward (subgrant, contract, subcontract, cooperative agreement, etc.) exceeding \$100,000 in Federal funds and all subrecipients shall certify accordingly. Sponsors receiving more than \$100,000 in Federal funds must complete a lobbying activities disclosure form.
- C. Clean Air and Water Certification: Agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

### **X. TERM AND TERMINATION**

- A. This Agreement shall take effect on the designated effective date as indicated on the final page.
- B. This Agreement may be terminated in accordance with the Program laws and regulations. In addition to termination in accordance with the preceding, this Agreement may be terminated for any of the following reasons:
  - 1. Termination by mutual agreement of the Parties. Such agreement must be in writing.

2. Termination for Convenience. This Agreement may be terminated for convenience if both PDE and the Sponsor agree that the continuation of the Program would not produce beneficial results commensurate with the further expenditure of funds. The effective date of termination shall be agreed upon by both parties and termination procedures shall be in accordance with Federal Regulations.
3. Termination for nonappropriation of funds. Notwithstanding any other provision of this Agreement, if funds for the continued fulfillment of this Agreement by PDE are at any time not forthcoming or are insufficient, through failure of any entity to appropriate funds or otherwise, then PDE will have the right to terminate this Agreement at no additional cost and with no penalty whatsoever by giving prior written notice documenting the lack of funding.
4. Termination for Change in Ownership or Legal Identity of Institution. Sponsor understands and agrees that this contract is not transferable and that in the event of change in legal identity or ownership of Institution, this Contract will terminate.
5. Termination for Cause. If it is determined that the Sponsor has failed to comply with the conditions of the Program, PDE may terminate the Sponsor's participation by written notice. When a Program has been terminated for cause, any payments made to the Sponsor or any recoveries by PDE from the Sponsor shall be in accordance with the legal rights and liabilities of the parties.

#### **XI. AMENDED OR NEW STATUTES, REGULATIONS, INSTRUCTIONS, POLICY MEMORANDA, AND GUIDANCE**

By continuing to operate covered Programs, as indicated in PEARS, after the enactment or issuance of any changed or new statutes or regulations applicable to the Programs covered by this Agreement, and any changed or new instructions, policy memoranda, guidance, and other written directives interpreting these statutes or regulations, Sponsor agrees to comply with them.

If Sponsor does not wish to comply with any changes or new items as described immediately above, Sponsor must seek to terminate this Agreement in accordance with Section X of this Agreement.

#### **XII. SEVERABILITY**

If one or more provisions of this Agreement, or the application of any provision to either party or circumstance is held invalid, unenforceable, or illegal in any respect, the remainder of this Agreement and the application of the provision to other parties or circumstances shall remain valid and in force and effect.

#### **XII. SIGNATURES**

This Agreement establishes or continues the rights and responsibilities of PDE and Sponsor pursuant to Sponsor's participation in one or more of the above-named Programs as stipulated

herein. By signing this Agreement, parties are bound by its terms and conditions from its beginning effective date until terminated in accordance with this Agreement.

Sponsor certifies that all information submitted pursuant to this Agreement is true and correct. Sponsor understands that the deliberate misrepresentation or withholding of information is a violation of this Agreement and may result in prosecution under applicable State and Federal statutes.

The Parties hereto in their capacities stated, agree to all statements and conditions contained herein and are authorized to sign this Agreement on behalf of the entity stated herein below. The Parties affix their signatures and bind themselves for the faithful performance of the terms of this Agreement.

The signature on this Policy Statement and Agreement indicates that the Sponsor agrees to abide by the terms and conditions stated herein. The Sponsor agrees to indemnify, defend, save, and hold harmless the Commonwealth of Pennsylvania and PDE, its officers, agents, and employees from any and all claims, liabilities, and losses due to violation by the Sponsor of the terms of this Agreement. Notwithstanding any termination or cancellation or failure to cancel or terminate, the Sponsor shall be liable to indemnify PDE of any audit disallowance or exceptions or for any damages sustained by PDE, in any manner or degree, by virtue of the Sponsor's performance or nonperformance of the terms of this Agreement or for violation by the Sponsor of Federal and/or State law or regulations governing these Programs.

## **SPONSOR**

\_\_\_\_\_  
Chief Administrator or Principal, Printed

\_\_\_\_\_  
Title

\_\_\_\_\_  
Chief Administrator or Principal Signature

\_\_\_\_\_  
Month/Day/Year

\_\_\_\_\_  
Second Chief Administrator or Principal, Printed (if applicable)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Second Chief Administrator or Principal Signature (if applicable)

\_\_\_\_\_  
Month/Day/Year

---

## **FOR PDE USE ONLY**

\_\_\_\_\_  
Effective Date (Month/Day/Year)

\_\_\_\_\_  
FOR: Chief, Division of Food and Nutrition

\_\_\_\_\_  
Month/Day/Year